

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 SP-02 USIA-06 AID-05 EB-07
NSC-05 EPG-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01
L-03 H-01 CIAE-00 FRB-03 INR-07 NSAE-00 XMB-02
OPIC-03 LAB-04 SIL-01 /095 W
-----023313 210809Z /10

P KS210646Z JUN 77
FM USINT BAGHDAD
TO SECSTATE WASHDC PRIORITY 4688
INFO USDOC WASHDC
AMEMBASSY ANKARA
JLEMBASSY ATHENS 486
AMEMBASSY BERN
AMEMBASSY BONNI
AMCONSUL ISTANBUL

C O N F I D E N T I A L BAGHDAD 1021

E.O. 11652: GDS
TAGS: ETRD, BGEN, IZ, TR, US
SUBJECT: TURKISH FIRM CAUGHT IN THE MIDDLE OF U.S. -IRAQI
DIFFERENCES ON THE BOYCOTT OF ISRAEL

REF: (A) BAGHDAD 99 (NOTAL) (B) ANKARA 3270 (NOTAL)
(C) BAGHDAD 374 (NOTAL)

1. ON JUNE 18, THE TURKISH GENERAL MANAGER FOR THE IRAQI
BRANCH OF TURKISH FIRM, BAHATTIN GOREN, 58/10 KIZILAY,
ANKARA, CALLED AT USINT TO DISCUSS PROBLEM WHICH FIRM
CONFRONTS IN IMPORTING CATERPILLAR EARTHMOVING EQUIPMENT
INTO IRAQ FROM U.S. AND EUROPE.

2. BAHATTIN GOREN IS EXECUTING PHASE ONE OF THE LOWER
KHALIS PROJECT (REF.A), A MAJOR LAND RECLAMATION PROJECT
IN IRAQ. FIRM HAS SIGNED CONTRACTS WITH CATERPILLAR
OVERSEAS S.A., 118, RUE DU RHONE, GENEVA FOR TRACTORS,
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SCRAPERS, AND OTHER EQUIPMENT TOTALLING 1.7 MILLION
DOLLARS. AN ADDITIONAL PURCHASE OF 3.4 MILLION DOLLARS
IS CONTEMPLATED. SOME EQUIPMENT IS ALREADY IN
THE PORT OF ISKENDERUN AWAITING SURFACE SHIPMENT TO
IRAQ AND ANOTHER CONSIGNMENT IS TO BE SHIPPED FROM A
U.S. PORT ON JUNE 22.

3. ON PREVIOUS CONSIGNMENTS CATERPILLAR, GENEVA, SUPPLIED A NEGATIVE CERTIFICATE OF ORIGIN STATING, "NO COMPONENTS ARE OF ISRAELI ORIGIN." BAHATTIN GOREN'S GERMAN REPRESENTATIVE NOW ADVISES THAT THE IRAQI EMBASSY IN BONN HAS REFUSED TO CERTIFY THE INVOICES FOR THE ISKENDERUN SHIPMENT UNLESS CATERPILLAR PROVIDES THE FOLLOWING CERTIFICATE:

"WE HEREBY CERTIFY THAT THE GOODS ARE WHOLLY PRODUCED AND MANUFACTURED IN AND DO NOT COMPRISE ANY PARTS, RAW MATERIALS, LABOUR OR CAPITAL OF ISRAELI ORIGIN. THE GOODS ARE MANUFACTURED OR PRODUCED BY MESSRS.....AND THIS COMPANY IS NOT A BRANCH OR MOTHER COMPANY OF FIRM INCLUDED IN THE ISRAELI BOYCOTT LIST."

THE FIRM'S REPRESENTATIVE CLAIMS THE IRAQI EMBASSY IN BONN HAS POSTED A NOTICE OF THE ABOVE BOYCOTT REQUIREMENT IN THE CHANCERY. APPARENTLY THE CATERPILLAR REPRESENTATIVE IN ISTANBUL, CHUKUROVA, S.A. (PHONETIC), HAS DECLINED TO ISSUE SUCH A CERTIFICATE.

4. BAHATTIN GOREN'S MANAGER WISHES TO KNOW IF CATERPILLAR CAN PROVIDE SUCH A CERTIFICATE IN VIEW OF THE NEW U.S. ANTI-BOYCOTT LEGISLATION. THEY ARE ALSO CONCERNED THAT EXIMBANK SUPPORT (REF. B) MAY BE JEOPARDIZED IF THE U.S. SUPPLIERS ARE REQUIRED TO FURNISH SUCH STATEMENTS. FYI: BAHATTIN GOREN HAS ALSO CONTRACTED CONFIDENTIAL

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TO PURCHASE CANAL LINING EQUIPMENT FROM R.A. HANSON DISC, LTD., (RAHCO), P.O. BOX 7400, SPOKANE, WA 99207, TEL: 509-489-5530, AND FROM ANCON INTERNATIONAL, INC., OF PANAMA CITY, PANAMA (REF. C). THE FIRM ALSO PURCHASED DODGE TRUCKS AND OTHER VEHICLES FROM CHRYSLER IN U.S. AND GERMANY.

5. USINT ADVISED BAHATTIN GOREN'S MANAGER THAT DECISION TO ISSUE ANY SORT OF CERTIFICATE WOULD BE UP TO THE SUPPLYING FIRM. WE ALSO OUTLINED USG POLICY DISCOURAGING COMPLIANCE WITH A FOREIGN BOYCOTT OF A FRIENDLY COUNTRY AND INDICATED THAT WE ARE UNABLE TO ADVISE HOW U.S. FIRMS WILL REACT TO THE NEW LEGISLATION, AS IMPLEMENTING REGULATIONS HAVE NOT BEEN ISSUED. THE MANAGER PLEADED FOR SPEEDY ASSISTANCE AS HIS FIRM IS COMMITTED TO A 28 MONTH COMPLETION TIME AND ANY DELAY IN IMPORT OF EQUIPMENT WILL SERIOUSLY AFFECT THEIR ABILITY TO COMPLETE THE PROJECT ON SCHEDULE.

6. WE WOULD APPRECIATE GUIDANCE FROM DEPARTMENT AND/OR USDOC, AS THE APPARENT STIFFENING OF IRAQ'S POSITION MAY ADVERSELY AFFECT SALES OF U.S. PRODUCTS IN IRAQ VIA THIRD COUNTRIES. WE WOULD ALSO LIKE TO KNOW IF EXIMBANK

GUARANTEES WOULD BE JEOPARDIZED BY BOYCOTT COMPLIANCE
OF U.S. SUPPLIER OR FOREIGN SUBSIDIARY.
MACK

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Current Classification: UNCLASSIFIED
Concepts: BOYCOTTS, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BAGHDA01021
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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ISecure: 1
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TAGS: ETRD, BGEM, IZ, TU, US
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